



Consumers United
For Affordable Advanced
Communications Services

EX PARTE

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Federal Communications Commission
Office of the Secretary

The Honorable Deborah Tate
Chairwoman
Federal-State Joint Board on Universal Service
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

WC Docket No. 05-337
CC Docket No. 96-45

Dear Joint Board Chairwoman Tate:

I write you today as both the chairperson of Communications Consumers United (CCU) and a consumer. CCU is encouraged by the Federal-State Joint Board on Universal Service's recommendation to place an emergency, interim cap on the high cost fund. Unless a cap is put in place, the high cost fund will skyrocket to \$2.5 billion by 2009, driving consumer bills even higher.

The universal service program is intended to provide affordable access to telecommunications services to all consumers. This program is an important national goal. Unfortunately, based on recent history, the increasing costs incurred through the fund will cause the program to no longer be affordable to the very people it was designed to help. The universal service program has grown from \$1.8 billion in 1996 to \$7.2 billion today. The high cost portion of the fund has grown at an alarming rate of \$1.5 million in 2000 to about \$1 billion in 2006 and consumers are paying for this growth through increasing surcharges on their bills. It is time to take a "time out!"

CCU applauds the Joint Board's recommendation and urges the FCC to adopt the cap as a critical first step. This will allow policy makers a chance to work on reforms to ensure the long term health and stability of this fund. A stable fund will help ensure that this country's universal service goals are met and that all consumers have affordable and comparable telephone service.

CCU encourages the FCC to support the Joint-Board's recommendation, which is a sound policy decision that is good for all consumers. CCU will stand hand-in-hand with those that are committed to moving to a permanent solution quickly; a final solution that will ensure the sustainability of the program while making sure that Universal Service support goes to the carriers that really need it, whether a wireline or a wireless company.

Communications Consumers United is a not-for-profit consumer advocacy organization that focuses on identifying and supporting government policies that ensure consumers have access to advanced communications products and services across the United States.

Sincerely,

Vera L. McIntyre
Chairwoman

cc: Federal-State Joint Board on Universal Service Members